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COUNCIL APPROVES B&B REAL PROPERTY TAX CLASSIFICATION

The Honolulu City Council today passed Bill 55, CD2, FD1, to implement a real property tax classification for properties used for bed and breakfast (B&B) homes and to clarify the classification for properties currently holding non-conforming unit certificates (NUC).

Bill 55, introduced by Council Chairman Ikaika Anderson at the request of the Caldwell administration, will create a B&B tax class to be added to the following list of general classes: residential; hotel and resort; commercial; industrial; agriculture; preservation; public service; vacant agriculture; and residential.

Existing transient vacation units (TVU) and B&Bs with NUCs will be allowed to stay in the residential class. New B&Bs, authorized under Ordinance 19-18 (Bill 89), will be classified under a new class.

“It’s important for the City to provide clarity to our citizens and all property owners,” said Council Chair Anderson. “This legislation will also address the concerns of several neighborhoods, impacted by transient vacation units, in a fair and equitable manner.

There are 808 vacation rental operators, currently permitted before a 1989 law, including 770 that operate as TVU’s and 38 as B&Bs. The City anticipates about \$5 million in revenue annually from TVUs that will be classified in the hotel resort category.

For more information on this bill or the Honolulu City Council, please go to the following web sites: <http://www.honolulucitycouncil.com> or <http://www.honolulu.gov/council>

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